

Message Text

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ACTION EUR-12

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TAGS: EEC, EIND

SUBJ: EC FOREIGN MINISTERS COUNCIL, JUNE 26-27, 1978: STEEL

REF: (A) BRUSSELS 11142 (B) BRUSSELS 5517

1. THE JUNE 26-27 EC FOREIGN MINISTERS COUNCIL AGREED,
SUBJECT TO A UK WAITING RESERVE (TO ALLOW CONSULTATION
WITH THE BRITISH PARLIAMENT'S EC OVERSIGHT COMMITTEE), ON
A COMMISSION PROPOSAL FOR A DEPOSIT SCHEME ON STEEL
PRODUCTS WHICH ARE SUBJECT TO EC MINIMUM PRICES. THE
INITIAL COMMISSION RECOMMENDATION CALLED FOR MEMBER STATE
CUSTOMS OFFICIALS TO REQUIRE IMPORTERS TO PAY DEPOSITS
AMOUNTING TO 25 PERCENT OF VALUE, BASED ON MINIMUM PRICES,
FOR ANY PRODUCTS FOUND NOT TO CONFORM WITH PROVISIONS OF
THE EC'S ANTI-CRISIS PLAN (E.G., DIFFERING PRICE AMOUNTS
ON CERTIFICATES OF CONFORMITY AND INVOICES, INCORRECT
QUANTITIES ON INVOICES, OR CLEAR VIOLATION OF MINIMUM
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PRICES).

2. AT DANISH INSISTENCE, THE COUNCIL AGREED TO AN AMEND-
MENT TO THE COMMISSION PROPOSAL, ALLOWING MEMBER STATES TO
ASK THE COMMISSION TO IMPOSE THE DEPOSIT REQUIREMENT ON
EXPORTERS, RATHER THAN IMPORTERS, IF THERE ARE CLEAR
INDICATIONS THAT EXPORTERS THEMSELVES ARE UNDERCUTTING

MINIMUM PRICES. THE DANES ARGUED THAT THE ORIGINAL COMMISSION PROPOSAL WOULD HAVE HURT DANISH IMPORTERS, IN PARTICULAR, BECAUSE OF THE HIGH COST OF BONDING. UNDER THE AGREED DECISION, WHICH WILL COME INTO EFFECT FOR A THREE-MONTH PERIOD AS SOON AS THE UK RESERVE IS LIFTED, MEMBER STATES WILL BE REQUIRED TO INFORM THE COMMISSION OF ANY DEPOSITS LEVIED; THE COMMISSION WILL THEN HAVE A SET NUMBER OF DAYS TO DECIDE IF ANY FINE IS NECESSARY, AFTER WHICH, IF NO COMMISSION ACTION HAS BEEN TAKEN, DEPOSITS WILL BE REFUNDED. ACCORDING TO A COMMISSION SPOKESMAN, UK MINISTER OF STATE JUDD INFORMED THE COUNCIL THE UK RESERVE WILL PROBABLY BE LIFTED IN A FEW DAYS.

3. THE COUNCIL DID NOT ENGAGE IN SUBSTANTIVE DISCUSSION OF THE COMMISSION'S PLANS FOR RESTRUCTURING THE EC STEEL INDUSTRY, AGREEING THAT THE INITIAL ROUND OF DEBATE ON THIS FILE SHOULD TAKE PLACE DURING THE JULY 25 COUNCIL SESSION. THE COMMISSION SPOKESMAN REPORTED ITALIAN REMARKS ALLEGING STRICTER APPLICATION OF ANTI-CRISIS MEASURES TO ITALY THAN TO OTHER MEMBER STATES, AND CRITICIZING THE COMMISSION'S DECISION TO IMPOSE A SELLING AGENCY ON ITALIAN PRODUCERS ONLY (REF A), AT THE SAME TIME THAT FRANCE, BELGIUM, LUXEMBOURG, AND THE NETHERLANDS ARE INCREASING COIL EXPORTS TO THE ITALIAN MARKET. THE SPOKESMAN ALSO CHARACTERIZED THE GERMAN POSITION AS EMPHASIZING THAT RESTRUCTURING MUST BE THE RESPONSIBILITY OF THE INDUSTRY, WHILE THE COMMISSION SHOULD ONLY SUPPORT THESE

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EFFORTS. HE ALSO SAID THE GERMANS WARNED THAT, UNLESS THE COMMUNITY WERE TO ADOPT A CODE ON STATE AIDS TO THE STEEL SECTOR (REF B), THE FRG WOULD BE RELUCTANT TO SUPPORT EXTENSION OF THE ANTI-CRISIS MEASURES. HINTON

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